

Dykman, Doug

From: Killingsworth, Jerry
Sent: Wednesday, December 01, 2004 8:22 AM
To: Dykman, Doug; Schaffner, Karen
Cc: Evans, Ryan
Subject: Rosemont @ Sceyne & Rosemont @ Laureland

Doug, my understanding is that a letter of notice to the Mayor and Council is all that is required for this change in ownership to occur between Southwest and DHA/ Non-Profits. Based upon your findings yesterday wherein you confirmed that we do have leverage with this sale given that the DHA Board has to approve the final documents, I would like the following to occur.

- Find out how the ownership structure breaks out
- What is the monetary consideration from DHA to Southwest Housing
- What services are the non-profits going to provide and how does their monetary consideration as a partner work
- What will Southwest make from the transaction (i.e. developer fee amounts, construction fee amounts, management fee amounts, etc.)
- What social services are going to be provided and does that exceed the level of services that would have been provided by Southwest who would have been paying a combined property tax of about \$375,000 per year
- What discussions have taken place relative to the City or HFC receiving funding for approving this deal in lieu of the taxes the City would be foregoing

We have to make a decision after obtaining answers to these questions as to whether we need to add our monetary negotiations to the mix. If that occurs, then I will need to advise Councilman Hill as to where we are going.

Ryan, I do not think we should send the letter out in the December 8th Council packets given that we are revising criteria that day for the tax credit deals.

**GOVERNMENT
EXHIBIT
1926
3:07-CR-0289-M**

12/1/2004

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Dykman, Doug

From: Dykman, Doug
Sent: Wednesday, December 01, 2004 9:57 AM
To: Schaffner, Karen
Subject: Laureland & Scyene

Here are the questions Jerry has asked on Laureland and Scyene as they now being proposed:

- What is the proposed ownership structure for each project?
- What is the monetary consideration from DHA and the other non-profits to Southwest Housing for each project?
- What services are the non-profits going to provide and how does their monetary consideration as a partner work?
- What will Southwest make from the transaction (i.e. developer fee amounts, construction fee amounts, management fee amounts, etc.)?
- What social services are going to be provided, by whom, and does that exceed the level of services that would have been provided by Southwest? Remember Southwest would have been paying a combined property tax of about \$375,000 per year.
- What discussions have taken place among the parties relative to the City or HFC receiving funding for approving this deal in lieu of the taxes the City would be foregoing?

I would also ask what form of guarantee will be provided by the new Owners that required social services will be provided. It is my understanding that the DHFC must not only approve the final bond documents but also, under the regulatory agreement, must approve any change in General Partner after the bonds have been issued.